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SUBJECT: ADVANCING U.S. EFFORTS ON WATER AND SANITATION IN EL  
SALVADOR

REF: A. STATE 128229, B. SAN SALVADOR 1887

#### Summary

1. This cable responds to Ref. A. Water is an important topic in El Salvador as the country wrestles with issues such as access to drinking water, management of water infrastructure by the national administrator, aquifer depletion, conservation, and strains caused by development. The USG has opportunities to act on a number of fronts to assist El Salvador in future water development, including continued USAID assistance and leveraging a possible Millennium Challenge Corporation compact. End summary.

#### Water Needs

2. The water sector presents a mixed picture in regulation and supervision, with several agencies having jurisdiction over the water sector, resulting in inefficiencies, poor accountability, and lack of a comprehensive policy framework. For example, the Ministry of Agriculture operates and administers the national irrigation system, the Ministry of Public Health monitors the quality of water for human consumption and industrial production, and the National Water and Sewage Administration (ANDA) operates and regulates water and sewage. A water law (reftel B) that would provide a basis for national organization of water resources has yet to be presented to the National Assembly for debate, and there is no timeframe to introduce it.

3. Distribution of water remains a critical problem in El Salvador and: only 22 percent of the rural population and 91 percent of the urban population have access to water in their homes. ANDA water service is of low quality due to the age and poor maintenance of water systems and inefficient operating practices. In 2006, ANDA raised rates for the first time since 1994, for those who use above average amounts of water, to help compensate for a loss in government support, cut from \$107.5 million in 2005 to \$91.2 million in 2006.

4. There is a critical need for improved management of water resources and water system infrastructure in El Salvador. Quantitative data is unavailable, but anecdotal evidence indicates that water resources are diminishing. El Salvador receives 1.8 meters of rainfall on average per year, but the distinct dry and wet seasons and a lack of integrated resource management are producing water shortages in many parts of the country. Development and destructive practices in many areas affect natural drainage patterns, leading to increased flooding and landslides. In addition, only 2 percent of effluent in El Salvador is treated, leading to heavy contamination of rivers, and streams, groundwater, and estuaries.

5. Through the Red Solidaria Program, intended to alleviate and reduce poverty, the GOES hopes to decrease the incidence of waterborne diseases by repairing or building latrines and potable

water systems and providing training/technical assistance to communities in 100 municipalities in extreme poverty, benefiting about 900,000 people. In addition, the GOES is actively working to meet a Millennium Development Goal (MDG) to reduce by half the number of individuals without access to an improved water source by 2015.

#### USG Engagement

16. USAID El Salvador carried out a successful clean water access activity from 1999 through 2005 that demonstrated that effective water management can help solve many interrelated economic, health, and social problems. This activity directly affected over 200,000 Salvadorans by (a) promoting private sector financing of water systems/water business; (b) developing local conservation capacity so that Salvadorans have the skills needed to restore watersheds; c) increasing awareness of the need for effective and efficient methods of managing and using water; (d) strengthening social participation in water management to ensure long-term supply and reduce future stress on existing supplies of water; and e) promoting the linkage of clean water access to household sanitation and proper hygiene habits.

#### Links to Other Sectors/Specific Programs

17. Building on its previous water project, USAID's current Improved Management and Conservation of Critical Watersheds Activity will link economic incentives to watershed conservation. To encourage sustainability, one goal is to leverage local funds (public and private) to help develop conservation interventions after the activity ends. The incorporation of costs of environmental services in tariffs charged to water users is a fundamental step in ensuring the sustainability of both integrated water resources/watershed management and local development strategies.

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18. Environmental and health education at all levels (community leaders, farmers, government officials, students, etc.) can also contribute to enrich the integrity of water resources management. USAID's current Cleaner Production Activity will introduce, demonstrate, and promote more effective and efficient methods for water supply and sanitation, capitalizing on the incentive of increased savings for private and public enterprises. Under the Healthier, Better Educated People Strategic Objective, USAID will provide training to Community Health Teams to promote better hygiene and water use practices at the household level, and proper use and maintenance of latrines in selected geographic areas.

Barclay